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II. Political, Social, and Cultural

1. The intelligence organization of the Department of State, which is responsible for work in this area, is meeting the most urgent demands of its own policy-makers and is producing intelligence reports to meet other-agency needs where these are specifically identified and are of high priority. Geographic coverage is complete, although nearly all countries are covered with only marginally adequate personnel strength. On highest priority areas current developments are covered fairly adequately: On the USSR, development of capabilities and indications of intentions in the propaganda output, in domestic organization, and in diplomatic maneuvering are analyzed, and there is review of the situation in depth to relate current developments to historical trends. In Europe the strength of parties, political prospects, and likelihood of accommodations to U. S. policies are gauged, and, as resources permit, there is analysis of long-term prospects for stability, healthy morale and will to fight. In medium priority peripheral areas coverage is less intensive, and, with respect to Iran, Indo-china and India, for example, the lag between production of immediate interpretations and analyses of longer term factors is greater. In low priority areas, such as Africa and South America, the situation is largely one of

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dealing with crises as they arise, but with limited resources devoted to trends, the rapidly changing balance of social forces, and the identification of future prospects. World Communism, outside the Orbit, is treated with respect to party strength, political maneuverings, and relationship to the Moscow propaganda line, but with fewer resources for identifying details of organization, sources of financial support and extent of infiltration into political and social organizations.

2. The deficiencies suggested above stem in part from a lack of raw information, inevitable with respect to Russia and China or due to the need for unavailable specialized observers or additional reporting staff. In part, however, the deficiencies are also due to sheer lack of resources to analyze available information. The latter factor has been aggravated by (a) the steadily increasing demands of U. S. policy officials for more numerous intelligence research studies of constantly greater depth and breadth requiring the development of new techniques in both the collection and production processes; and (b) the pressure of demands from new departmental and other-agency programs especially in economic and psychological fields (which are treated elsewhere in this paper).

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These increased demands are well beyond the staff resources of the State intelligence organization. For these reasons, although the quality of State intelligence output has constantly improved, its adequacy in terms of the needs of the community may be said to have diminished in the last two years and the present situation is considered unsatisfactory.

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28 July 1952IV. Economic Intelligence1. Basic Economic Research

a. USSR and Eastern European Satellites: Intelligence on industrial production is reasonably adequate although there are important gaps such as the quantities and location of stockpiles of strategic items. The lack of raw data has made it difficult to build up satisfactory basic intelligence on many aspects of Soviet Bloc industry.

Intelligence on clandestine trade is very spotty. Information on international finance is scarce and the research effort inadequate, particularly on Soviet Bloc assets in the United States, Soviet balance of payment, and Soviet gold and foreign exchange availabilities and dispositions.

In the field of transportation, data on ship movements is relatively good, although information on the cargoes carried is vague and incomplete. Intelligence on rail transportation is relatively adequate but more complex questions such as the composition of freight traffic within the USSR and the capacity of the Trans-Siberian rail-road must undergo more intensive research. Intelligence on the automotive industry though of lesser importance, is generally better.

Population and manpower intelligence is relatively adequate in the matter of aggregates but information on the composition

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of these aggregates is much weaker.

Intelligence on agriculture is relatively good, although it is weak on the quantity and location of stockpiles.

While intelligence on the structure and organization of the economy and the way it works is reasonably adequate, it is weak on such things as the physical location of the control net.

General economists and analysts trained in handling broad problems, as opposed to the specialized analysts such as the commodity experts, have been relatively few in number but are increasing.

b. Communist China: There are critical deficiencies in the economic research programs relating to Communist China both in respect of current information and the numbers of analysts assigned. Appropriate corrective steps are being taken to improve this situation, although there will probably be a considerable time lag before these measures become effective.

c. Non-Bloc Countries: In the non-Bloc countries the degree of adequacy of foreign economic intelligence varies widely. Foreign agriculture, minerals, petroleum, and transport industries have been reported upon and analyzed in detail. In contrast, information on manufacturing industries is inferior, as is intelligence on internal finance as related to cost of living indices and internal stability.

Trade data are relatively good though inadequately

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detailed and frequently do not accurately reflect the ultimate destination or origin of the goods. In recent years there has been a marked improvement in the information on national accounts, but in some particulars the data are quite unreliable. Labor and population reporting is fairly satisfactory.

In Latin America there is adequate economic information on all countries except Argentina, although some of the statistics lack in accuracy and currency. We are reasonably well equipped to deal with broad trends but are deficient in terms of goals and capabilities for economic development.

In the Near East, South Asia and Africa there are gross deficiencies in our economic knowledge of almost all countries partly because reporting has been incomplete and even more because the basic information does not exist. We have been especially hampered in preparing broader studies and estimates.

From Western Europe there is a large and impressive flow of specialized economic information [redacted] The difficulty is that the intelligence staff in Washington is altogether unequal to the task of fully utilizing this mass of material.

2. In addition to the basic economic research, which supports other fields of intelligence, the following economic intelligence programs utilizing this research deserve specific mention:

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a. Economic Warfare: Implementation of NSC 104/2 and the Battle Act programs is requiring increased economic intelligence support. It is expected that the newly established coordinating committee will assist in bringing available intelligence more fully and immediately to bear on questions arising under this program. However, the potential demands for detailed operational intelligence in this field are virtually unlimited, and are and will continue to be well beyond the capacity of the intelligence agencies to satisfy.

b. Target research: The target intelligence activities outlined in Section III (Armed Forces) involve detailed assessment of economic and structural vulnerabilities. In general economic intelligence on the Soviet Orbit now provides a valid basis for developing detailed vulnerability studies and target systems, but the intelligence gaps previously described forecast growing handicaps for this type of specialized research in the absence of fresh data.

c. Soviet Bloc Capability Studies: Among the highest priority tasks of the economic intelligence community is the continuing study of Soviet Bloc economic capabilities for war. This study currently employs for the first time a modified form of input-output analysis which is expected to lead to more accurate and meaningful estimates.

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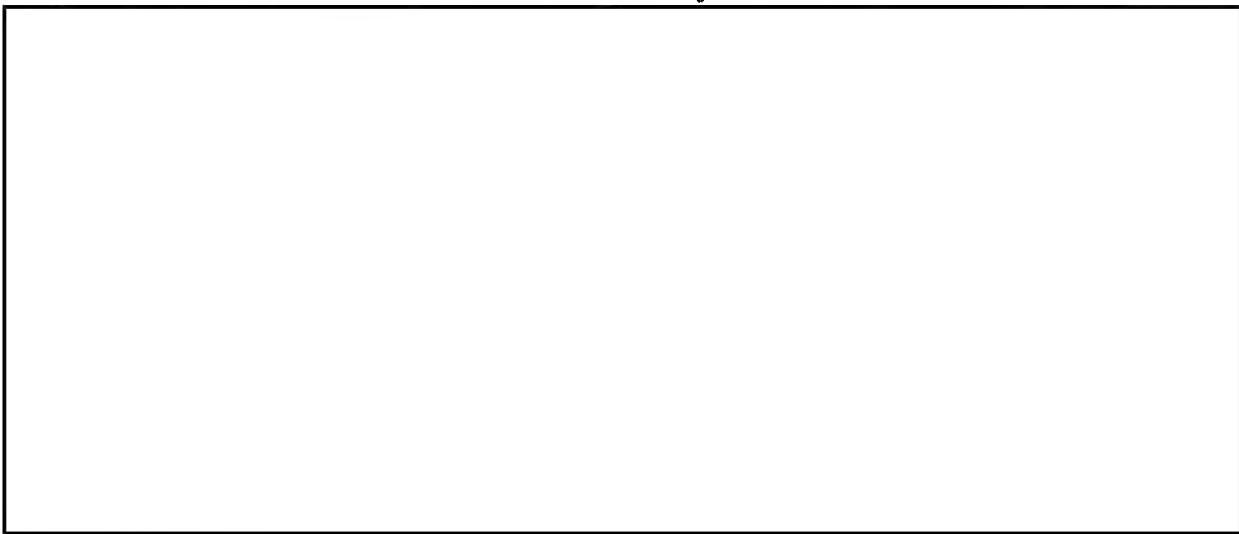
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V. Scientific and Technical

1. Scientific and technical intelligence against the USSR and the satellites has made important progress since the beginning of Fiscal Year 1951. Current knowledge, however, is scanty and inadequate in terms of national security needs. Coordination and liaison with many of the specialized collection activities required to develop knowledge of foreign scientific and technical activities conducted under high security safeguards have been radically improved but are not yet considered generally satisfactory.

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radical changes in the future. In biological and chemical warfare, the knowledge of the Soviet programs is extremely limited and large areas of complete uncertainty with respect to the intent and capabilities for exploitation of these very dangerous fields still remain. With respect to electronics and telecommunications, a number of

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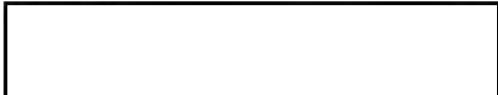
important intelligence "finds" with respect to Soviet activities have been made within the last year. Knowledge of their capabilities in air defense as determined by their electronics and telecommunications systems is much improved, although there are still enormous voids with respect to the developments which lead to radically improved systems, some of which might be different from those with which the West is familiar. Knowledge of Soviet guided missiles program is in general quite limited although certain projects based on German developments are fairly well known.

3. Scientific and technical intelligence on conventional military weapons and equipment of all types is reasonably good so far as standarized items in current use are concerned. However, the security safeguards around research and development and testing installations are such that little knowledge of important weapons improvements is available until the weapon is employed for Service

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4. Progress is being made toward better understanding of the basic scientific research of the countries behind the Iron Curtain and of their resources in scientific manpower, institutions, and organizations.

5. The division of responsibilities and the methods of coordination for scientific and technical intelligence activities have been under study by a special ad hoc committee appointed by the IAC. A draft report is now before the committee and a final report is expected shortly.

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VI. Psychological Intelligence

1. Overt propaganda and psychological warfare programs have developed to an unprecedented degree in the past two years. The growing awareness of political and economic planners that their program activities have important psychological effects, has also outlined new requirements for intelligence. These fall largely within the framework of political and sociological intelligence, but the orientation and organization of the material for the psychological warfare user calls for unaccustomed depth and detail both in field reporting and in analysis.

2. The primary responsibility for psychological intelligence, now in State, has not been adequately met, largely because vigorous efforts to secure budgetary resources have failed. An initial effort to develop interagency coordination has not as yet been successful, but another attempt to accomplish such coordination is being made.

3. Efforts to eliminate duplication and to improve consultation between agencies in the area of research performed under government contract by private institutions have been encouraging; but much remains to be done. The overlap between the intelligence-research responsibility and the operational responsibilities of the propaganda and psychological warfare agencies complicates the problem.

4. Covert propaganda and psychological programs are also growing rapidly. The intelligence support they need is in many respects the same as that required in the overt field, but in significant aspects it is in addition and much more detailed. Even less than in the overt

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field, therefore, have the intelligence needs of the covert psychological programs been satisfied. What intelligence they have received has been partly supplied by normal production of the intelligence agencies, partly by special efforts to answer particular requests, and partly by the development of intelligence units next to the operators or by performing intelligence work in operational units. Organizations and responsibilities in intelligence of this kind are scattered and subject to no clear pattern or coordination.

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VII. Basic Intelligence

1. The program of National Intelligence Surveys (NIS), which was begun in 1949 as an interdepartmental cooperative venture, was designed to meet the U.S. Government's needs for basic factual intelligence on a world-wide basis. Since the NIS program was begun 1,252 individual sections have been produced on 57 of the 108 NIS areas, which is the equivalent of approximately 20 complete NIS. Based upon the rate of production established during the last quarter of FY 1952, a production goal of the equivalent of approximately 10 complete NIS has been set for FY 1953. In addition, base maps have been prepared for 80 NIS areas, and preliminary gazetteers for 50 NIS areas with 14 more base maps and gazetteers scheduled for completion in FY 1953.

2. NIS production is scheduled in accordance with JCS priorities and intelligence agency capabilities. Limitations of the latter have precluded across-the-board production of NIS on all JCS high priority areas and made it necessary to undertake partial surveys on a considerable number of NIS areas. However, agency capabilities have been utilized to the maximum extent possible on the high priority areas with the result that initial NIS production on the group of 24 areas of highest priority is approximately 45% complete, whereas the entire program is about 22% complete. NIS on eight individual areas are over 75% complete, and five of these are in the JCS high priority list.

3. Specifically the USSR is 77% completed and is expected to be finished in FY 1954. China, Mongolia, and Korea are on the average 48% completed and will be finished in FY 1955. The Eastern European satellites average 37% completed and will be finished in FY 1956 along with Southeast

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Asia and Indonesia which are now only 19% done. Western Europe, Scandinavia, the Near East, South Asia, [redacted] approaches are now between 20 and 50% done and are expected to be finished in FY 1957. It is hoped that NIS on all areas will be completed in FY 1958 and the program will then be continued on a full maintenance basis, if the capabilities of each producing agency be maintained at the present level.

4. The Standard Instructions for National Intelligence Surveys (revised in June 1951) prescribe outlines which cover the requirements of the U. S. Government for basic intelligence and are so drafted as to apply to the most complex foreign country or area. Further modification of the outline guides for several chapters is anticipated in order to meet more precisely the requirements of psychological operations.

5. The quality of the NIS is relatively good and can be expected to improve as the gaps in information are filled and revisions are published under the Maintenance Program which was started in FY 1952. This maintenance aspect is regarded as the crux of the NIS Program as it assures presentation of up-to-date basic intelligence. Coordination within and between all IAC and non-IAC agencies engaged in the NIS Program is excellent and suitable liaison is maintained with the JCS.

6. The geographic research required for basic intelligence on foreign areas has been conducted with varying degrees of intensity not only to provide contributions to the NIS program but also to lend research support for other intelligence production and operational planning.

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Considerably more effort is needed in the regional approach to the analysis of areas to meet intelligence requirements. Geographic research support for planning and carrying out CIA field operations has expanded greatly during the past year. The coordination in the production of intelligence on mapping activities in foreign areas, particularly in the USSR, its Satellites, and neighboring countries, is being developed



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VIII. Warning of Attack - Current Intelligence

1. Factual information on activities in the Soviet World is fragmentary. Conclusions concerning Soviet and Communist intentions to initiate hostilities at any given time are therefore tentative inductions or generalizations drawn from inadequate evidence and are often based on broad estimates rather than on factual information.

2. The IAC Watch Committee provides a good foundation for extracting the maximum benefit from limited information. The technique used within the IAC involves elaborate and careful cross-checking of information by each IAC agency against an exhaustive analysis of possible indicators of Soviet intentions. This method is not fool-proof and the problem of estimating Soviet intentions is constantly being addressed from many different angles.

3. The ability of intelligence to give adequate warning of attack is uncertain. Specific warning of direct attack against the U. S. (UK) may well not be available prior to actual detection of the hostile formations. Certain last-minute defensive and offensive preparations on the Soviet periphery, however, may be detected. Opportunity for detection of indications of Soviet or Satellite attack on other areas varies from fair in the two border areas of Germany and Korea to extremely poor in the Transcaucasus and Southeast Asia. Each agency maintains its own 24-hour Watch arrangements to handle any information that is received.

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4. In general there has been improvement during the past two years in the ability of current intelligence to provide prompt notice and preliminary evaluations of events and developments in the Soviet as well as in the neutral and friendly areas. This improvement is attributable to the increased skill and knowledge of intelligence analysts which has come from experience and to the deepening sense of common purpose among the IAC agencies.

IX. Collection

1. The Foreign Service

In general, the collection activities of the Foreign Service are satisfactory. Intelligence needs are met most adequately in the political field, less so in certain aspects of the economic field, and least satisfactorily in the scientific, technical and psychological fields. These deficiencies are generally attributable to a lack of specialized competence in those fields which are not closely related to the basic diplomatic functions of the Foreign Service. Remedial action has been taken by establishing a comprehensive economic reporting program and a continuing program of providing Foreign Service posts with more complete and effective guidance on intelligence needs. Additional remedial measures in progress concern the greater use of overseas personnel of certain operational programs in

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collecting basic intelligence information, particularly in the psychological and sociological fields; the recognition of the role of the Foreign Service in the national intelligence effort through the revision of the Foreign Service Manual to include for the first time specific and detailed intelligence instructions; and finally, by studying possible measures to meet needs for basic scientific information.

2. Service Attaché System

The Service Attaché System furnishes extensive useful military information on countries outside the Iron Curtain. Attachés in the Soviet-bloc countries obtain and transmit a considerable volume of valuable information although, under the restrictions imposed on them by Communist governments, the coverage which they provide cannot be considered adequate. The Service Attaché System has been strengthened since the beginning of the Korean conflict through the opening of new offices and the assignment of additional officers to important posts. Constant efforts are being made to improve the collection capabilities of Service Attachés by the development of new collection guides and techniques.

3. Overseas Commands

Armed Forces Commands in Europe are active and moderately successful in collecting information. While intelligence collection

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on the Soviet Union itself is far from adequate, it is generally successful in the Eastern Zones of Germany and Austria. Considerable information is gathered by European Commands from returned PW's, escapees, and refugees.

Collection of intelligence in the Far East is adequate on friendly and neutral areas but is scanty and deficient on Communist China and Eastern Siberia. Tripartite Agreements for exchange of intelligence on Southeast Asia have considerably enhanced collection capabilities in the area and will prove beneficial.

4. Aerial Reconnaissance

The Armed Services have not as yet exploited fully their overflight capabilities in aerial reconnaissance. Because of its current capability the contributions of photo reconnaissance are increasing. The contributions of radar reconnaissance are only fair as compared to photo reconnaissance, but are being improved. Photo interpretation capability is generally deficient in the Armed Services. Corrective measures underway include a research program to improve interpretation techniques, the establishment of new schools, and improved training methods. Research and development effort is being expended on free balloons, guided missiles, and satellites to overcome a lack of special reconnaissance vehicles.

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8. Foreign Materials and Equipment

The collection by various means and the technical analysis of manufactured items and raw materials from the Soviet Orbit, although undertaken relatively recently, is providing useful scientific and economic information. Notwithstanding other means of collection, to date the most lucrative source of Soviet manufactured material has been in Korea. The variety of this equipment has enabled the intelligence agencies, through coordination with the Joint Materiel Intelligence Agency, to assess USSR technical capabilities in a wide range of fields. Collection in other areas is somewhat less productive, although procurement through covert channels is expected to mitigate this deficiency.

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9. Monitoring of Radio Jamming

Under NSC 66/1 the agencies undertook the construction and organization of a monitoring system to obtain information on Soviet jamming and related activities in the radio frequency spectrum. A pilot operation involving a very limited number of stations is being established. Adequate information as to the extent of Soviet jamming, concentration of the jamming stations, and related information must await the implementation of a much-expanded program.

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X. Support and Collation Facilities

1. Availability of Materials

With a few exceptions, all pertinent foreign positive intelligence, both raw and finished, is distributed among all interested IAC agencies. In addition to the distribution of current material, there is a continuing effort to locate and extract pertinent information from the large volume of intelligence material that was collected during and after the war, and from other collections in overseas files. The sheer volume of these materials presents formidable and as yet unsolved problems. No IAC agency, utilizing existing techniques, is in a position to record and store all this material and to make the information contained therein readily available to analysts requiring it. Nor is there any agreed upon division of responsibility among the IAC agencies whereby this burden can be divided and shared. Further development of the techniques of machine indexing may provide a partial solution to these problems, or alternatively it may be possible to develop a division of responsibility and labor among the IAC agencies.

2. Library Facilities

While the libraries of the IAC agencies are not yet self-sufficient, they are equipped to satisfy most of the major needs of their users. Their utility could be increased and their effectiveness

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could be improved in connection with indexing methods, reclaiming of loan documents, and reference service staff.

3. Biographic Information

Each IAC agency maintains files of biographic data on foreign personalities for its own particular purposes and makes such data available to the other agencies upon request. Extensive data are available on political, military, and scientific personalities outside the Iron Curtain; coverage within the Soviet Orbit is necessarily spotty and inadequate. Personalities in the economic and industrial fields are inadequately covered at present, although there is considerable information available.

4. Graphics Material

The several Defense agencies and CIA each maintain photographic and related documentary libraries consistent with their requirements and responsibilities. Material in each library is available to all IAC agencies. While extensive holdings are available within the IAC agencies, continuing effort must be exerted to increase the quality and quantity of this highly important source of intelligence.

5. Map Procurement and Reference Services

Procurement of foreign-published maps and information on mapping abroad is coordinated by [redacted] an

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interagency map committee. Results during the past three years have proved the effectiveness of overt collection of maps and related information through the Foreign Service Geographic Attaché program. Increased emphasis is being placed on the collection of maps and engineering drawings from domestic sources and Service Attaché channels are also being used. The currently published foreign maps required for intelligence activities are received on a continuing basis through exchange arrangements between the Department of State and many foreign official mapping agencies. These exchanges are in addition to those of an operational character maintained by the Military Services. Excellent map reference services in support of intelligence requirements are maintained by close working arrangements between the map libraries serving the intelligence areas.

6. Foreign Language Publications

Most foreign language publications significant to the intelligence effort are now being procured although increased efforts are necessary with respect to Chinese Communist material and economic and technical information from the Soviet Union. Improved indexing arrangements for Soviet and Satellite publications have recently been inaugurated with the help of the Library of Congress. More needs to be done, however, in the technical fields.

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Within the United States the main effort in the exploitation of foreign publications is conducted by CIA for the benefit of the community. Important work is also being done by private institutions, some of which are on contract with the Defense Department. Translation facilities for all necessary languages are available, although the volume of material which can be handled has fallen short of greatly increasing demands. It is clear that at the present time the intelligence community is not fully utilizing the information potentially available in foreign publications, and that additional measures are needed to ensure that such information is systematically supplied to analysts.

Overseas Commands, particularly the Far East Command, exploit all captured enemy documents and all other such foreign language material that may be designated by the theater command as falling within their interest. FEC also accepts requests from Department of Defense Agencies for translation and exploitation of foreign language material which could be performed more economically in FEC than in the Zone of Interior.

Although the situation varies with the agency and the language involved, there are inadequate numbers of intelligence officers and researchers who are able to read the language of the foreign area with which they work. Training programs are in effect which will

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gradually improve the situation and determined efforts have been made particularly with the Russian language, in which results are beginning to show. Comparable efforts in the Chinese field have hardly begun although there are a number of courses available.

7. External Research

The extensive use by the intelligence agencies of external research, particularly in the social sciences, is comparatively recent. The goal of this research has been the development of basic data in support of intelligence, and the application of scientific and technological findings to intelligence problems. In addition, an effort is made to obtain the results of the considerably larger volume of research done on contract for research and operational Government agencies and of research done by private organizations without Government support. Considerable progress has been made in this field. No accurate appraisal of the value of the research program as a whole is possible, however, at this point. Considerable difficulty has been experienced, in coordinating individual research efforts and only partial success has been achieved in avoiding duplicative research by both intelligence and research agencies as well as policy and operational units, which are sponsoring and monitoring work of this kind.

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